

A retailer that knowingly makes overcollections of tax from customers is guilty of a Class 4 felony. 35 ILCS 105/14 (1996 State Bar Edition). (This is a GIL.)

February 5, 1999

Dear Manager:

This letter is in response to a complaint the Department received dated January 12, 1999 regarding the overcollection of tax. The nature of this complaint and the information provided require that we respond with a General Information Letter which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 86 Ill. Adm. Code 1200.120(b) and (c), enclosed.

The complaint stated and made inquiry as follows:

This is to report that a CITY, Illinois retail establishment has attempted to overcharge for sales tax. On Saturday, January 9, 1999 I visited the BUSINESS in CITY, Illinois. I selected one item for purchase, Ban roll-on deodorant, marked with a price of \$2.00. The cashier rang up the sale on the cash register, and it showed an amount due of \$2.15. I asked how it was so high, and the cashier responded that it was for the sales tax.

I believe that the sales tax rate to be collected in CITY is 6 1/4%, which would have resulted in a total of \$2.13. This may have been going on unnoticed for a significant period of time.

Please note that the sales tax rate for CITY is 6.25%. Please see the enclosed Sales Tax Rate Reference Manual. The purchase of an item of tangible personal property priced at \$2.00 would result in 13 cents in tax liability in Riverton. If you are charging tax at a higher rate than 6.25%, please make the necessary adjustments.

A taxpayer may not collect Use Tax (sales tax) in Illinois at a rate that is higher than the rate imposed in that jurisdiction. Overcollections of tax must be either refunded to the customer or remitted to the State. A retailer that knowingly makes overcollections of tax from customers is guilty of a Class 4 felony. 35 ILCS 105/14 (1996 State Bar Edition).

The Department of Revenue maintains a Web site which can be accessed at www.revenue.state.il.us. If you have any questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

ST 99-0062-GIL

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.